

**A PLAN OF ACTION FOR TENNESSEE HIGHER EDUCATION:
A REVISION OF THE 2000-05 MASTER PLAN**

JULY 31, 2002

EXECUTIVE SUMMARY

The policy initiatives outlined below are designed to encourage Tennessee colleges and universities to strategically position themselves to maintain the highest level of academic integrity and quality given current conditions of funding austerity. In this *Plan of Action*, and in all considerations of reductions and redirections, the Commission will work to protect the central missions of research, instruction, and public service for Tennessee higher education. The following represents a summary of the action items central to the *Plan of Action*:

UNIFIED RECOMMENDATIONS

- **Admission Requirements:** It is recommended that during the 2002-03 academic year, universities review and/or revise their admissions standards so that admissions requirements promote and insure student readiness for college level work. Institutions will be expected to phase in revised admission requirements over the next three academic years. Additionally, standards should be revised in conjunction with the ongoing efforts of the Tennessee P-16 Council to create a seamless education system in Tennessee.
- **Off-Campus Locations:** It is recommended that the staff revise the existing off-campus location policy, and repeal the existing moratoria on new off-campus instruction. This policy revision should promote the maximum utilization of state resources to serve the access needs of Tennessee.
- **New Academic Programs:** It is recommended that the Commission repeal the moratoria on new academic programming. The staff is charged to give thorough consideration to state-wide programmatic needs, instructional costs, and quality when considering new programs. While the Commission encourages programmatic innovation, new program proposals must be tempered by economic and educational realities. Additionally, due to fiscal uncertainties and the educational needs of the state, the Commission will grant primary attention to undergraduate programs.
- **Funding Formula Revision:** It is recommended that the staff undertake an immediate study and revision of the THEC funding formula. The staff will examine the formula's primary reliance on enrollment, the development of new funding peers, and the possibility of creating "mission enhancement" features that recognize and strengthen the development of distinctive missions for each campus and that recognize campus performance in meeting state goals such as improved persistence and graduation rates. While access should remain an underlying principle of the funding formula, increased emphasis should be placed on student success rather than admission.
- **Program Review:** It is recommended that the staff bring forward recommendations to the Commission at the January 2003 meeting based upon the review of low producing and duplicative programs presently being conducted by the staff, governing boards, and institutions. It is further recommended that institutions retain any savings made available via program termination/consolidation for deployment to areas of strategic need.

- **Associates Programs:** It is recommended that all programs below the baccalaureate level in the university sector, other than allied health, nursing, and those programs currently offered at the Fort Campbell facility, be phased out over a three-year period, effective with the Fall 2002 semester.
- **Accountability Initiatives:** It is recommended that the state of Tennessee participate in the Delaware Cost Study of higher education costs and productivity. Additionally, it is recommended that the staff make broader use of existing accountability information, and continue to strive to improve the Commission's capacity to provide in-depth analysis of critical educational issues in Tennessee.

STAFF RECOMMENDATIONS

- **Remedial and Developmental Education:** It is recommended that state appropriations for remedial education be phased out at the university sector effective with the appropriations recommendations for 2003–2004 fiscal year. Additionally, the Commission recommends that state support for developmental education at the university sector be reduced to \$120 per credit hour, which is comparable to current community college FTE funding rates. The savings realized from this recommendation will be retained by the institution and become available for documented redirection towards the academic core, faculty salary improvements, or other institutional priorities.
- **Athletics:** In an effort to strike a balance between the academic and athletic missions of higher education, the Commission charges the governing boards to nominate representatives to a THEC taskforce centered on, but not limited to: ¹ identifying all athletic expenditures; ² significantly reducing the state subsidy for athletics in the short term; and ³ establishing athletic departments as self supporting enterprises. In the interim, the Plan of Action will cap state E&G operating support for athletics at an amount comparable to 2001-02 actual expenditure levels. Additionally, the Commission charges each institution with the responsibility of annual full public disclosure of their spending choices regarding NCAA athletics.
- **Enrollment Management:** In an effort to balance the tension between access and quality, it is recommended that a taskforce be developed to review enrollment management strategies for Tennessee higher education. This taskforce should consider of a variety of options for managing enrollment, including the University of Tennessee proposal focusing on limiting freshmen entrants and the right sizing concept articulated by the Tennessee Board of Regents. The staff should work cooperatively with both governing boards to develop an enrollment policy that rewards institutions that are successful at increasing student persistence, creatively utilizing distance education technology, and encouraging successful transfer and articulation of community college students.